

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

Voluntary - Public

**Date:** 7/17/2009

**GAIN Report Number:** VM9070

## Vietnam

**Post:** Ho Chi Minh City

### News Summary No. 22

#### Report Categories:

Agriculture in the News

#### Approved By:

Valerie Ralph

#### Prepared By:

Quan Tran, Dao Truong, Van Nguyen

#### Report Highlights:

\*Nation curbs imports of animal organs\*Goat penis bacteria adds to food safety scare \*Falling prices hit poultry farmers \*Farmers quit industry as shrimp exports fall

#### General Information:

Welcome to "News Summary" from Vietnam, an occasional summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Vietnam, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues may be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Mission to Vietnam's, or any other U.S. government agency's point of view or official policy.

#### POST CONTACT AND FURTHER INFORMATION

Foreign Agricultural Service / Agricultural Affairs Office  
U.S. Embassy – Annex Building  
Rose Garden Building, 3rd Floor  
170 Ngoc Khanh, Ba Dinh District, Hanoi, Vietnam

Tel: 84-4-3850- 5000  
Email: AgHanoi@fas.usda.gov

Foreign Agricultural Service / Agricultural Affairs Office  
U.S. Consulate General  
Saigon Center, 9th Floor  
65 Le Loi Street, District 1, Ho Chi Minh City, Vietnam  
Tel: 84-8-3825-0502      Fax: 84-8-3825-0503  
Email: AtoHoChiMinh@fas.usda.gov

## **Author Defined:**

### **Nation curbs imports of animal organs**

The Ministry of Agriculture and Rural Development in co-operation with the Ministry of Health is setting up safety and hygiene standards for imported meats and viscera (offal), said Bui Quang Anh, the head of MARD's Animal Health Department.

This would serve as a technical barrier to limit imports of meats and animal viscera, said Anh.

In big cities like Ho Chi Minh City, Hanoi and Hai Phong, animal viscera and meats were being imported in massive quantities, and there were risks involved with this practice. One example was when more than 8 tons of substandard chicken wings in District 8 were seized by the Ho Chi Minh City Department of Animal Health early this month.

The confiscated goods were among 13.5 tons of chicken wings belonging to the company that were reportedly contaminated with coliform bacteria, which could cause acute diarrhea, according to health inspectors.

It was reported that the company had already sold 5 tons of chicken wings from the contaminated batch.

However, because there were no specific regulations on which or how many chemicals could be used on imported meats and animal viscera, the relevant authorities lacked legal documents to punish violators, said Anh.

According to the new standards, processing methods, chemical quantities, hygiene standards and inspection procedures would all be regulated, said Anh.

Specific administrative punishments for violators would be regulated in the draft law of Animal Health, which would be submitted to the Government by the end of this year, said Anh.

*(Vietnam News July 14, 2009)*

### **Goat penis bacteria adds to food safety scare**

Ho Chi Minh City destroyed nearly 1.5 tons of goat penis contaminated with bacteria on July 15, 2009 in the latest chapter of Vietnam's food safety saga, which has seen putrid pork and rotten beef flood local markets.

On July 12, district inspectors found NDT Company in Tan Binh District had imported large quantities of the product from Australia. The shipments were labeled as inedible and not for human use. However, inspectors said 47 of the 72 boxes imported had been sold as food. The inspectors issued fines against the company for trading animal products contaminated with bacteria.

A representative of NDT Company said the product had been imported from Australia on April 13 and that the 72 boxes had been approved as food by the Animal Health Agency Zone VI.

Concerned agencies have reported an increase of tainted animal products imported from other countries for resell as food in HCMC recently.

Last week, inspectors in Binh Chanh District found another 855 kilograms of goat's penis in storage at a QT-VT Company warehouse. Inspectors said the products had also been labeled as not for human food but had been approved to be sold for the purpose.

Early this month, inspectors from the HCMC Animal Health Agency found more than five tons of bacteria-contaminated chicken wings that had been sold out from a store of a company in Ho Chi Minh City.

The company had obtained approval of the Animal Health Bureau under the Ministry of Agriculture and Rural Development to import 80 tons of chicken wings, 10 tons of chicken entrails and 10 tons of chicken thighs from an Australian Company.

HCMC Market Management Agency representative said bacteria contaminated food must be destroyed and should not be sterilized for later use.

Last month, the People's Committee of Phu Nhuan District issued fines to CHM Trading JSC for violations related to the trade of over 800 kilograms of beef imported from the US.

The fine of VND40 million (\$2,246) was issued for failing to register with quarantine agencies before transporting animal products, importing beef without legal certificates of origin, trading products without legal labels and selling products after their expiry date.

The authorities also destroyed 51 kilograms of expired beef without legal papers.

At a recent session of the HCMC's People's Council, Nguyen Van Chau, director of HCMC Health Department, said they could manage only eateries through registration, while foods sold by hawkers and at markets were nearly impossible to keep tabs on.

*(Thanh Nien News July 16, 2009)*

### **Falling prices hit poultry farmers**

Tumbling prices for domestic poultry products during the last three months have left farmers in two communes in the Xuan Loc District, Dong Nai province facing big losses and mounting debts.

The Farmers said the wholesale price of chickens had crashed roughly 60 per cent, from VND47,000-50,000 (\$2.60-\$2.70) to VND20,000 (\$1.10) a kilo. The price of chicken had also gradually fallen in many Ho Chi Minh City supermarkets.

One local meat Processing Company said that the company has four times reduced the chicken meat price since the beginning of June, each time between VND1,000 to VND2,000. Home-bred chickens in the supermarket cost VND32,000 (\$1.70) a kilo, a reduction of VND3,000 from earlier this month and VND8,000 from last month.

A farmer said he would lose VND60 million (\$3,300) if he sold his 6,000 chickens. Another farmer spent VND2 billion (\$111,000) on his first flock two months ago, but faced a big debt as none of the 50,000 birds were sold. He did not sign any business contracts.

A Trader said he usually supplied 6,000-7,000 chickens daily, to Ho Chi Minh City's markets, but farmers he had contracts with had increased bird numbers by 100,000. An extra 500,000 had been raised by other farmers in Vinh Cuu, Xuan Loc and Long Khanh districts.

The domestic market was oversupplied and faced competition from cheap imported products he said. The imported product sold for VND25,000-28,000 a kilo, after a recent price drop.

*(Vietnam News July 16, 2009)*

### **Farmers quit industry as shrimp exports fall**

Global shrimp consumption is expected to decline further in the remaining months of the year due to the economic downturn, predicts the Vietnam Association of Seafood Exporters and Producers (VASEP).

Seafood exports in the first half of the year reached US\$1.69 billion, a reduction of 11.24 per cent compared to the same period last year, the association said in a recent report.

Exports of frozen shrimp had seen the largest reduction both in terms of volume and value, it added.

In May, the country exported about 13,531 tons of shrimp worth only about \$110 million, a reduction of 1.7 per cent in volume and 9.1 per cent in value over the same period last year.

In Bac Lieu province, the country's biggest "shrimp basket", total earnings from seafood export in the first half of the year was just \$55.71 million, 31.88 per cent of the annual target.

Luong Le Phuong, deputy minister of Agriculture and Rural Development, said the current economic downturn had reduced shrimp consumption in key markets.

Stricter technical barriers for shrimp import set by China and other importers had also made things more difficult for shrimp exporters, he added.

Truong Dinh Hoe, VASEP general secretary, said along with the fall in seafood consumption, their prices had also fallen in most markets. Mr. Hoe noted that the nation's seafood export markets were also shrinking. Last year, the country's seafood products were shipped to 126 countries and territories, but this had fallen to 120 this year.

In the first six months of the year, the EU still remained the largest importer of Vietnam's seafood products, followed by Japan, China and the US.

If the export of seafood products would not improve in the remaining months of the year, the sector would find it hard to achieve the target of \$4.5 billion for this year, Phuong said.

He asked seafood enterprises to improve their competitiveness and enhance trade promotion efforts to boost exports in the remaining months of the year.

The total area for shrimp farming in the Cuu Long (Mekong) Delta in the first half of the year has reduced remarkably over the same period last year to around 566,000ha, according to the Aquaculture Department under the Ministry of Agriculture and Rural Development.

Financial difficulties, high prices of shrimp feed, unstable shrimp prices and the high risk of epidemics had discouraged farmers from persisting with shrimp farming, the department said. And this consequently would put local seafood processing companies and exporters into greater difficulties as they would have insufficient raw material to process for export.

*(Vietnam News July 16, 2009)*